



Agency Information Collection Activities: Announcement of Board Approval under Delegated Authority and Submission to OMB

AGENCY: Board of Governors of the Federal Reserve System.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) is adopting a proposal to extend for three years, with revisions, the Financial Statements for Holding Companies (FR Y-9 reports; OMB Control Number 7100-0128). The revisions are effective as of December 31, 2021.

FOR FURTHER INFORMATION CONTACT: Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3829.

Office of Management and Budget (OMB) Desk Officer for the Federal Reserve Board, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503, or by fax to (202) 395-6974.

SUPPLEMENTARY INFORMATION: On June 15, 1984, OMB delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve and assign OMB control numbers to collections of information conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. The OMB inventory, as well as copies of the PRA Submission, supporting statements, and approved collection of information instrument(s) are available at <https://www.reginfo.gov/public/do/PRAMain>. These documents are also available on the Federal Reserve Board's public website at <https://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears above.

Final Approval under OMB Delegated Authority of the Extension for Three Years, with Revision, of the Following Information Collection:

Report title: Financial Statements for Holding Companies.

Agency form number: FR Y-9C, FR Y-9LP, FR Y-9SP, FR Y-9ES, and FR Y-9CS.

OMB control number: 7100-0128.

Effective Date: December 31, 2021.

Frequency: Quarterly, semiannually, and annually.

Respondents: Bank holding companies (BHCs), savings and loan holding companies (SLHCs), securities holding companies, and U.S. intermediate holding companies (IHCs) (collectively, holding companies).¹

Estimated number of respondents:

Reporting

FR Y-9C (non-advanced approaches holding companies with less than \$5 billion in total assets): 119; FR Y-9C (non-advanced approaches holding companies with \$5 billion or more in total assets): 221; FR Y-9C (advanced approaches holding companies): 9; FR Y-9LP: 412; FR Y-9SP: 3,708; FR Y-9ES: 78; FR Y-9CS: 236.

Recordkeeping

FR Y-9C: 349; FR Y-9LP: 412; FR Y-9SP: 3,708; FR Y-9ES: 78; FR Y-9CS: 236.

Estimated average hours per response:

Reporting

FR Y-9C (non-advanced approaches holding companies with less than \$5 billion in total assets): 35.74; FR Y-9C (non-advanced approaches holding companies with \$5 billion or more in total

¹ The following depository institution holding companies are exempt: (1) a unitary savings and loan holding company with primarily commercial assets that meets the requirements of section 10(c)(9)(c) of the Home Owners' Loan Act, for which thrifts make up less than 5 percent of its consolidated assets; and (2) a SLHC that primarily holds insurance-related assets and does not otherwise submit financial reports with the Securities and Exchange Commission pursuant to sections 13 or 15(d) of the Securities Exchange Act of 1934.

assets): 44.94; FR Y-9C (advanced approaches holding companies): 50.16; FR Y-9LP: 5.27; FR Y-9SP: 5.45; FR Y-9ES: 0.50; FR Y-9CS: 0.50.

Recordkeeping

FR Y-9C: 1; FR Y-9LP: 1; FR Y-9SP: 0.50; FR Y-9ES: 0.50; FR Y-9CS: 0.50.

Estimated annual burden hours:

Reporting

FR Y-9C (non-advanced approaches holding companies with less than \$5 billion in total assets): 17,012; FR Y-9C (non-advanced approaches holding companies with \$5 billion or more in total assets): 39,727; FR Y-9C (advanced approaches holding companies): 1,806; FR Y-9LP: 8,685; FR Y-9SP: 40,417; FR Y-9ES: 39; FR Y-9CS: 472.

Recordkeeping

FR Y-9C: 1,396; FR Y-9LP: 1,648; FR Y-9SP: 3,708; FR Y-9ES: 39; FR Y-9CS: 472.

General description of report: The FR Y-9 family of reporting forms continues to be the primary source of financial data on holding companies that examiners rely on in the intervals between on-site inspections. The Board requires holding companies to provide standardized financial statements to fulfill the Board's statutory obligation to supervise these organizations. Financial data from these reporting forms are used to detect emerging financial problems, to review performance and conduct pre-inspection analysis, to monitor and evaluate capital adequacy, to evaluate holding company mergers and acquisitions, and to analyze a holding company's overall financial condition to ensure the safety and soundness of its operations. The FR Y-9C, FR Y-9LP, and FR Y-9SP serve as standardized financial statements for the holding companies. The FR Y-9ES is a financial statement for holding companies that are Employee Stock Ownership Plans. The Board uses the voluntary FR Y-9CS (a free-form supplement) to collect additional information deemed to be critical and needed in an expedited manner. Holding companies file the FR Y-9C on a quarterly basis, the FR Y-9LP quarterly, the FR Y-9SP

semiannually, the FR Y-9ES annually, and the FR Y-9CS on a schedule that is determined when this supplement is used.

Legal authorization and confidentiality: The reporting and recordkeeping requirements associated with the Y-9 series of reports are authorized for BHCs pursuant to section 5 of the Bank Holding Company Act (BHC Act);² for SLHCs pursuant to section 10(b)(2) and (3) of the Home Owners' Loan Act;³ for IHCs pursuant to section 5 of the BHC Act, as well as pursuant to sections 102(a)(1) and 165 of the Dodd-Frank Wall Street and Consumer Protection Act (Dodd-Frank Act);⁴ and for securities holding companies pursuant to section 618 of the Dodd-Frank Act.⁵

Except for the FR Y-9CS report, which is collected on a voluntary basis, the obligation to submit the remaining reports in the FR Y-9 series of reports and to comply with the recordkeeping requirements set forth in the respective instructions to each of the other reports is mandatory.

Certain information collected on the FR Y-9C and FR Y-9SP Reports is kept confidential by the Board. The following items are kept confidential under exemption 4 of the Freedom of Information Act (FOIA) because these data items reflect commercial and financial information that is both customarily and actually treated as private by the respondent:⁶

- FR Y-9C, Schedule HI, memoranda item 7(g), “FDIC deposit insurance assessments;”

² 12 U.S.C. 1844.

³ 12 U.S.C. 1467a(b)(2) and (3).

⁴ 12 U.S.C. 5311(a)(1) and 5365; Section 165(b)(2) of Title I of the Dodd-Frank Act, 12 U.S.C. 5365(b)(2), refers to “foreign-based bank holding company.” Section 102(a)(1) of the Dodd-Frank Act, 12 U.S.C. 5311(a)(1), defines “bank holding company” for purposes of Title I of the Dodd-Frank Act to include foreign banking organizations that are treated as bank holding companies under section 8(a) of the International Banking Act, 12 U.S.C. 3106(a). The Board has required, pursuant to section 165(b)(1)(B)(iv) of the Dodd-Frank Act, 12 U.S.C. 5365(b)(1)(B)(iv), certain foreign banking organizations subject to section 165 of the Dodd-Frank Act to form U.S. intermediate holding companies. Accordingly, the parent foreign-based organization of a U.S. IHC is treated as a BHC for purposes of the BHC Act and section 165 of the Dodd-Frank Act. Because Section 5(c) of the BHC Act authorizes the Board to require reports from subsidiaries of BHCs, section 5(c) provides additional authority to require U.S. IHCs to report the information contained in the FR Y-9 series of reports.

⁵ 12 U.S.C. 1850a(c)(1)(A).

⁶ 12 U.S.C. 552(b)(4).

- FR Y-9C, Schedule HC-P, item 7(a) “Representation and warranty reserves for 1-4 family residential mortgage loans sold to U.S. government agencies and government sponsored agencies;”
- FR Y-9C, Schedule HC-P, item 7(b) “Representation and warranty reserves for 1-4 family residential mortgage loans sold to other parties;”
- FR Y-9C, Schedule HC-C, Part I, Memorandum items 16.a and 16.b, for eligible loan modifications under Section 4013 of the 2020 Coronavirus Aid, Relief, and Economic Security Act; and
- FR Y-9C, Schedule HC and FR Y-9SP, Schedule SC, Memoranda item 2.b., the name and email address of the external auditing firm’s engagement partner.⁷

In some circumstances, disclosing these data items may also reveal confidential examination and supervisory information protected from disclosure under exemption 8 of the FOIA.⁸ The Board has previously assured submitters that these data items will be treated as confidential.

In addition, the Chief Executive Officer Contact Information section of both the FR Y-9C and FR Y-9SP is kept confidential pursuant to FOIA exemption 6, which applies to personnel and medical files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy,⁹ and exemption 8, which applies to information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions.¹⁰

Aside from the data items described above, data collected by the FR Y-9 reports generally are not accorded confidential treatment. As provided in the Board’s Rules Regarding

⁷ The Board has assured respondents that this information will be treated as confidential since the collection of this data item was proposed in 2004, under the assumption that the identity of the engagement partner is treated as private information by HCs.

⁸ 12 U.S.C. 552(b)(8).

⁹ 5 U.S.C. 552(b)(6).

¹⁰ 5 U.S.C. 552(b)(8).

Availability of Information,¹¹ however, a respondent may request confidential treatment for any data items the respondent believes should be withheld pursuant to a FOIA exemption. The Board will review any such request to determine if confidential treatment is appropriate and will inform the respondent if the request for confidential treatment has been granted or denied.

To the extent that the instructions to the FR Y-9 reports direct the financial institution to retain the workpapers and related materials used in preparation of each report, such material would only be obtained by the Board as part of the examination or supervision of the financial institution. Accordingly, such information may be considered confidential pursuant to exemption 8 of the FOIA.¹² In addition, the workpapers and related materials may also be protected by exemption 4 of the FOIA, to the extent such financial information is customarily and actually treated as private by the respondent.¹³

Current actions: On September 8, 2021, the Board published a notice in the *Federal Register* (86 FR 50354) requesting public comment for 60 days on the extension for three years of the Financial Statements for Holding Companies (FR Y-9 Reports), with revision.

Proposed revisions:

Chief Executive Officer Contact Information

The Federal Reserve periodically needs to communicate directly with the CEOs of holding companies via email; however, the Federal Reserve currently does not have a complete list of CEO email addresses. To streamline communications to CEOs, the Board proposed to collect the name, email address, and phone number of the holding company's CEO on the FR Y-9C and FR Y-9SP reports. CEO communications would be initiated or approved by the Board's senior management and would involve topics such as new initiatives and policy notifications.

¹¹ 12 CFR part 261.

¹² 5 U.S.C. 552(b)(8).

¹³ 5 U.S.C. 552(b)(4).

The proposed CEO contact information would have been for the confidential use of the Federal Reserve and would not have been released to the public. In the proposal, the Board stated that it would use the collected CEO email addresses and phone numbers judiciously and only for significant matters requiring CEO-level attention. Having a comprehensive database of holding companies' CEO contact information, including email addresses and phone numbers, would allow the Federal Reserve to have current information to communicate important and time-sensitive information to CEOs. This information was proposed to be collected quarterly on the FR Y-9C report for consistency with the Call Report and semiannually on the FR Y-9SP report. The information would have been collected from top tier holding companies only.

Full-Time Employees

Consistent with the Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies of Entities Regulated by the Agencies,¹⁴ which was issued as required by section 342 of the Dodd-Frank Act, the Board's Office of Minority and Women Inclusion (OMWI) conducts an annual survey of entities the Board regulates. In this voluntary survey, the Board collects a self-assessment report on diversity policies and practices from Board-regulated entities with 100 or more full-time equivalent employees.

Currently, to identify those entities that should be invited to participate in the survey, the Board's OMWI relies on the FR Y-9C and Call Report, which collect data on the number of full-time equivalent employees for the consolidated entity. Because these data are not collected on the parent-only FR Y-9SP or the nonbank subsidiary reports,¹⁵ the Board cannot accurately identify the FR Y-9SP reporters with 100 or more full-time equivalent employees on a consolidated basis that should be invited to participate in this survey.

¹⁴ See 80 FR 33016 (June 10, 2015). Agencies include the Office of the Comptroller of the Currency (OCC); Board; Federal Deposit Insurance Corporation (FDIC); National Credit Union Administration (NCUA); Consumer Financial Protection Bureau (CFPB); and Securities and Exchange Commission (SEC).

¹⁵ The nonbank subsidiary reports include the Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314/2314S), Financial Statements of U.S. Nonbank Subsidiaries held by Foreign Banking Organizations (FR Y-7N/7NS/7Q), and Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies (FR Y-11/11S).

Therefore, the Board proposed to add a new check box, Memorandum item 5, “Does your holding company have 100 or more full-time equivalent employees on a consolidated basis?” to Schedule SI, Income Statement of the FR Y-9SP report. The addition of this item on the FR Y-9SP would enable OMWI to have a comprehensive list of the Board-regulated holding companies with full-time equivalent employees of 100 or more on a consolidated basis. The proposed data item would have been collected only from top-tier holding companies and would have been collected only on the report for the December 31 as-of date. Given that the additional information to be reported should be easily obtainable, the Board expects that this revision would cause a small burden increase for reporters.

Brokered Deposits Glossary Entries

The FR Y-9C instructions Glossary defines “Brokered Deposits” and “Brokered Retail Deposits” consistent with section 29(g) of the Federal Deposit Insurance Act (FDI Act) and the FDIC’s brokered deposits regulation.¹⁶ Under these definitions, the meaning of the term “brokered deposit” references the defined term “deposit broker.” On January 22, 2021, the FDIC published in the Federal Register a final rule to amend its brokered deposits regulation (brokered deposits final rule),¹⁷ which established a new framework for analyzing certain provisions of the “deposit broker” definition in the FDI Act.¹⁸ The brokered deposits final rule clarified the term “deposit broker” and the analysis of whether entities are engaged in the business of placing, or facilitating the placement of, deposits. The revised FDIC regulation describes exceptions to the definition of “deposit broker” including when the primary purpose of an agent’s or nominee’s business relationship with its customers is not the placement of funds with depository institutions (primary purpose exception). The brokered deposits final rule introduced in the FDIC’s regulation a list of business relationships that are designated as meeting the primary purpose exception. In February 2021, the Federal Financial Institutions Examination Council proposed

¹⁶ 12 CFR 337.6.

¹⁷ 86 FR 6742 (Jan. 22, 2021).

¹⁸ 12 U.S.C. 1831f(g).

changes to the Call Reports forms and instructions consistent with the brokered deposits final rule and proposed conforming clarifications in the Call Reports Glossary.

To provide clarity for respondents, the Board proposed to revise the FR Y-9C Glossary instructions to incorporate changes under the brokered deposits final rule consistent with the proposed Call Report revisions. Specifically, the Board proposed to reorder the content of the Glossary entries for “Brokered Deposits” and “Brokered Retail Deposits,” to incorporate the revised content of the FDIC regulation, and to update reference to the FDIC insurance limit of \$250,000. The Board did not propose otherwise to revise the FR Y-9C form or instructions in respect to brokered deposits.

SA-CCR Check Box

On January 24, 2020, the agencies issued a final rule¹⁹ (SA-CCR final rule) that amends the regulatory capital rule to implement a new approach for calculating the exposure amount for derivatives contracts for purposes of calculating the total risk-weighted assets (RWA), which is called SA-CCR. The final rule also incorporates SA-CCR into the determination of the exposure amounts of derivatives for total leverage exposure under the supplementary leverage ratio and the cleared transaction framework under the capital rule.

Holding companies that are not advanced approaches banking organizations²⁰ may elect to use SA-CCR to calculate standardized total RWA by notifying the Board.²¹ Advanced approaches holding companies are required to use SA-CCR to calculate standardized total RWA starting on January 1, 2022. Advanced approaches holding companies may adopt SA-CCR prior to January 1, 2022, but must notify the Board of their early adoption.²²

The Board proposed to revise the FR Y-9C forms and instructions by adding new line item 31.b, “Standardized Approach for Counterparty Credit Risk opt-in election.” The Board

¹⁹ See 85 FR 4362 (January 24, 2021).

²⁰ See 12 CFR 217.2 (defining “Advanced approaches Board-regulated institution”)

²¹ 12 CFR 217.34(a)(1)(ii).

²² 12 CFR 217.300(h).

proposed to add this new item to identify holding companies that have chosen to early adopt or voluntarily elect SA-CCR, which would allow for enhanced comparability of the reported derivative data and for better supervision of the implementation of the framework at these holding companies. Due to the inherent complexity of adopting SA-CCR, identification of non-advanced approaches institutions that choose to voluntarily adopt SA-CCR is particularly important for their supervision.

Under the proposal, a non-advanced approaches holding company that adopts SA-CCR would have entered “1” for “Yes” in line item 31.b. All other non-advanced approaches holding companies would have left this item blank. If a non-advanced approaches holding company has elected to use SA-CCR, the holding company may change its election only with prior approval of the Board.²³ An advanced approaches holding company that elects to early adopt SA-CCR prior to the January 1, 2022, mandatory compliance date would have entered “1” for “Yes” in line item 31.b. After January 1, 2022, an advanced approaches holding company would have left this item blank. This proposed reporting change would have taken effect starting with the December 31, 2021, FR Y-9C report. This item would have no longer been applicable to advanced approaches holding companies starting with the March 31, 2022, report date. There would have been no material change in burden to the FR Y-9C report related to this revision.

The comment period for this notice expired on Monday, November 8, 2021. The Board did not receive any comments. The revisions will be implemented as proposed.

A comment was received on a comparable proposal involving the Consolidated Reports of Condition and Income (Call Report) (FFIEC 031, FFIEC 041 and FFIEC 051; OMB Control Number 7100-0036). The comment was generally supportive of the proposed new line item related to the SA-CCR final rule. The Board has taken the comments from the proposed changes to the Call Report into consideration in finalizing the proposed FR Y-9C changes and the Board intends to add the new item for SA-CCR, as proposed.

²³ 12 CFR 217.34(a)(1)(ii).

Board of Governors of the Federal Reserve System, December 3, 2021.

Ann Misback,

Secretary of the Board.

Billing Code 6210-01-P

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